

# So What?

**NAICS is here**

***Believe it or not, sometimes data can be a matter of life or death.***



**By Lecia Parks Langston**

Lately we've been making a **BIG DEAL** about the fact that the U.S. is changing the way it codes and classifies industries from the old Standard Industrial Classification (SIC) to the new NAICS (North American Industrial Classification System). You may be thinking, "So what? This doesn't affect me. I don't care that my code has changed. This just doesn't affect my bottom line. What are all you economists worrying about?"

First of all, this change to the industrial coding system represents one of the most profound changes for government statistical programs since the 1930s.

And, this just might affect you and your business. First a little story. . .

## **A Little Story**

When I talk about the economy on my somewhat limited speaking circuit, I like to tell the story about Stalin and the USSR's 1937 and 1939 censuses. In 1937, based on an estimate of natural increase, Stalin figured the country's population should be about 170 million. But, Stalin's purges and the starvation that resulted from farm collectivism had taken their toll on the population. The census takers showed a total national population of only

162 million. Stalin wasn't exactly happy with these numbers—for some reason he seemed to think they reflected badly on his leadership. So, he had the census takers imprisoned and/or executed. In 1939, the next Census still showed only 162 million residents. Mindful of their predecessors' fate, the new census takers told Stalin the total was 170 million. The actual figures were classified and remained so until the 1990s.

### Life and Death

I tell this story to show that even though sometimes data may seem boring, it can be a matter of life and death. More to the point, data may be a matter of life and death for your business. That's where industry coding comes in.

### The Best Indicator

Employment data is *by far* the best economic indicator available on the local level. But, just how can you use this data? Here are some examples:

**Do you sell your product to a particular industry?** Focus on your market area and look to see if that industry's employment is rising or falling. This will provide information on how well that industry is performing economically. You may need to revamp your sales plans or approach them from a different angle.

**Are you thinking of opening a new business?** Again, focus on your market area. For example, if you want to start a restaurant, look at

restaurant employment. If many restaurants are closing or discharging workers, maybe now isn't the time to try and get your new business off the ground.

### ***Want to know how your competitors are doing?***

Look at the growth in your own industry's employment.

### ***Are you looking for a job?***

You're more likely to find a position in an industry that is expanding.

### Breaking Up is Hard

***What if you're already smart enough to be using the data?*** Be prepared.

There will be breaks in our data series. Also, during the transitional period, some data will be published in NAICS as well as SIC. (We like to keep things interesting.)

If all this talk about data still seems beyond you, feel free to contact your local regional economist or visit our website ([jobs.utah.gov/wi](http://jobs.utah.gov/wi)). There you'll find contact information, magazines, newsletters and more data than "you can shake a stick at."

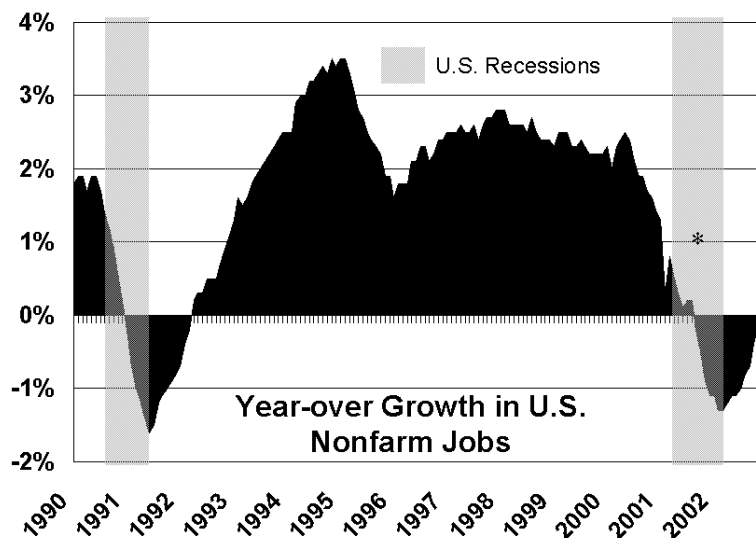
Remember, data just might be a matter of life and death for your business.



For more information on NAICS

<http://jobs.utah.gov/wi/Naics>

## ***Employment Change is the Best Indicator of Economic Well-Being***



\*End of the current recession has yet to be determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.